Massive East Bronx Comprehensive Health Center, Inc. and District 1199, National Union of Hospital and Health Care Employees, RWDSU, AFL-CIO. Case 2-CA-19746

8 August 1984

DECISION AND ORDER

By Members Zimmerman, Hunter, and Dennis

On 30 March 1984 Administrative Law Judge Steven B. Fish issued the attached decision. The Respondent filed exceptions and a supporting brief, and the General Counsel filed an answering brief.

The National Labor Relations Board has delegated its authority in this proceeding to a three-member panel.

The Board has considered the decision and the record in light of the exceptions and briefs and has decided to affirm the judge's rulings, ¹ findings, ² and conclusions and to adopt the recommended Order as modified.³

ORDER

The National Labor Relations Board adopts the recommended Order of the administrative law judge as modified below and orders that the Respondent, Massive East Bronx Comprehensive Health Center, Inc., Bronx, New York, its officers, agents, successors, and assigns, shall take the action set forth in the Order as modified.

¹ We specifically affirm the judge's denial of the Respondent's motion for a 10-day adjournment of the hearing made at the close of the General Counsel's case. We note that the hearing had previously been postponed at the Respondent's request from the original hearing date of 27 October 1983 and rescheduled for 4 January 1984. The Respondent had over 4 months to prepare its case from the date the complaint issued and over 2 months from the date the hearing was postponed. Furthermore, the reasons the Respondent presented in support of its motion for adjournment fail to explain adequately why the Respondent was unable to go forward with its case or why another postponement was necessary. Accordingly, the judge properly denied the Respondent's motion for postponement.

² Asserting that 10 out of the 12 members of its board of directors had resigned from the board as of 20 May 1983, the Respondent contends that the board could not transact business under New York state law and therefore that the board could not lawfully have accepted the collective-bargaining agreement. Even assuming, arguendo, that that constitutes a correct statement of the law, we reject the Respondent's contention because its factual premise is not supported by the evidence. Thus, there is simply no record evidence that 10 of the 12 board members had resigned as of 20 May. Indeed, there is no record evidence specifying when resignations occurred or the number of vacancies on the board at any given time. Accordingly, the Respondent's contention lacks merit.

Member Hunter agrees with the judge's finding that the Respondent is an employer engaged in commerce within the meaning of Sec. 2(2), (6), and (7) of the Act on the limited facts presented. Member Hunter notes that no party contested the Board's jurisdiction over the Respondent.

³ We shall modify the recommended Order so that it will require the Respondent to make available to the Board all company records necessary to compute the amounts of backpay due the employees. We shall also modify the Order to require that the notice be posted immediately upon receipt and remain posted for 60 consecutive days.

- 1. Insert the following as paragraph 2(c) and reletter the subsequent paragraphs.
- "(c) Preserve and, on request, make available to the Board or its agents for examination and copying, all payroll records, social security payment records, timecards, personnel records and reports, and all other records necessary to analyze the amount of backpay due under the terms of this Order."
 - 2. Substitute the following for paragraph 2(d).
- "(d) Post at its place of business in Bronx, New York, copies of the attached notice marked "Appendix." Copies of the notice, on forms provided by the Regional Director for Region 2, after being signed by the Respondent's authorized representative, shall be posted by the Respondent immediately upon receipt and maintained for 60 consecutive days in conspicuous places including all places where notices to employees are customarily posted. Reasonable steps shall be taken by the Respondent to ensure that the notices are not altered, defaced, or covered by any other material."

DECISION

STATEMENT OF THE CASE

STEVEN B. FISH, Administrative Law Judge. Pursuant to charges filed by District 1199, National Union of Hospital and Health Care Employees, RWDSU, AFL-CIO (the Union or District 1199), the Regional Director for Region 2 issued a complaint and notice of hearing on August 11, 1983, alleging that Massive East Bronx Community Comprehensive Health Center, Inc. (Respondent), violated Section 8(a)(1) and (5) and Section 8(d) of the Act, by failing and refusing to execute a written contract embodying an agreement reached between the parties. The hearing was held before me with respect to the issues raised by the complaint in New York, New York, on January 4, 1984.

I. JURISDICTION

Respondent is a New York nonprofit corporation located in the Bronx, New York, where it is engaged in the operation of an ambulatory health care center.

During the past year, Respondent in the course and conduct of its business, derived gross revenues in excess of \$250,000. During the same period, Respondent caused to be transported to its Bronx, New York facility, goods, supplies, and materials valued in excess of \$10,000 directly from suppliers located outside the Sate of New York.

Respondent is now and has been at all times material herein an employer engaged in commerce within the meaning of Section 2(2), (6), and (7) of the Act.

It is admitted and I so find that the Union is a labor organization within the meaning of Section 2(5) of the Act.

¹ All dates herein are in 1983 unless otherwise indicated.

II. FACTS

On July 8, 1982, subsequent to an election held as a result of a stipulation for certification executed by the parties, the Board certified the Union as the exclusive bargaining representative of Respondent's employees in a unit of:

All full-time and regular part-time employees, including medical assistants, bookkeepers, dental hygienists, medical record assistants, laboratory technicians, receptionist/appointment clerk, maintenance employees, x-ray technicians, secretaries, and nurse practitioner, excluding all other employees, watchmen, guards, and supervisors as defined in the Act.

Negotiations for a collective-bargaining agreement began in January 1983. The parties met on four occasions between January and early April. All of the sessions took place at Respondent's facility located at 1675 Westchester Avenue, Bronx, New York.

At each meeting, Howard Williams, an organizer, and Ana Rivera, a delegate were present on behalf of the Union. Respondent was represented at each session by Joseph Erazo, its attorney, Tony Colon, chairman of its board of trustees, and Nilsa Benitez who was a member of the Board. Erazo was introduced to Williams as counsel for Respondent and engaged in virtually all of the discussions with the union representatives. As noted, Colon and Benitez, chairman and member of the board of trustees of Respondent, were present at each session, but they said very little if anything to the Union. However, it was made clear to the Union that the board of trustees was being kept informed of the matters discussed at negotiations, that the governing authority of Respondent vested in the Board, and that the Board would make the ultimate decision concerning any collective-bargaining agreement that may be reached.

At the first meeting Williams presented Respondent's representatives with two documents, which comprised the Union's proposals. They were a copy of District 1199's standard form agreement (the master agreement), which is a 98-page document, plus a 2-page document entitled "Massive E. Bronx Health Center Proposals," which encompassed certain additions to or changes from the master agreement in areas such as contract duration, wages, vacations, classifications, and minimums. Williams went through at the first session all of the items contained in the Union's proposals and gave to Respondent the Union's rationale for each demand. Erazo responded on behalf of Respondent that it was not prepared to offer a response at that momemnt, but would get back to the Union.

A second negotiation session was held 2 weeks later. Erazo began the meeting by stating that Respondent was opposed to the union-shop clause proposed by the Union. The parties then discussed this issue but no resolution resulted. It was decided to table that item and go through the other sections of the master agreement.

Agreement was reached on approximately 80 percent of the proposals offered by District 1199, with some modifications. The modifications in the master agreement which were agreed to at the second meeting were, a re-

duction in the steps of the grievance clause from a three-to a two-step procedure; a maternity leave clause providing for a 45-day leave with pay; a paternity leave clause providing for a 5-day leave with pay; and a holiday schedule of 10 holidays and 2 personal days. In addition, during the course of this meeting, Respondent objected to the hiring hall proposal included in the master agreement, stating that it was a community based center and wished the opportunity to hire from the community first. Accordingly, the Union agreed to withdraw its proposal for a hiring hall which was included in the master agreement. At the end of this meeting, there remained five issues that were still outstanding and unresolved. They were wages, union security, welfare, pension, and education benefits.²

The third negotiating session was held during the second week of March. Williams began the meeting by indicating that if Respondent were flexible on the union-shop clause, that the Union would be a little more flexible on the other outstanding issues, such as wages, welfare, pension, and education benefits. Erazo replied that he would have to discuss this with the board of trustees, but that Respondent viewed the Union's position as movement.

Erazo also brought up the issue of sick days at this meeting, but the record is not clear as to what he said about it.

Erazo asked Williams how flexible the Union would be with respect to the educational benefits clause. Williams replied that he would be willing to withdraw the contract requirement of Respondent paying 1 percent into the training and upgrading plan, and replace it with a program of reimbursement to employees of 50 percent of tuition paid, for those employees who attend school and receive a passing grade of C. Erazo responded that he felt this was an acceptable term and added that he was going to discuss the status of negotiations with the board. The parties then set up another meeting for early April.

The fourth and final negotiation meeting was held as scheduled in early April. Williams proposed that if Respondent agreed to a union-shop clause, that the Union would withdraw its demands for the inclusion of the pension and welfare provisions in its master agreement. Respondent accepted this proposal, and it was agreed that the employees would be covered by the Responent's existing welfare fund. There was no provision for a pension fund, and the Union agreed to forgo such a clause, since Erazo had continually stated that cost was a major factor in the negotiations.

In connection with the issue of cost savings, the parties also discussed and agreed on minimum salaries and wage increases. The Union agreed to reduce its minimum salary proposals to the current salaries of the existing incumbent employees. The parties also agreed to an 8-percent wage increase for all existing employees, retroactive to August 1, 1982, and again on June 30, 1983. In regard to this matter, however, Williams did indicate at both the

² Education benefits refers to art. XXII of the master agreement entitled "Training and Upgrading."

third and fourth meeting that, if necessary, the Union might be flexible on the effective date of the agreement. However, Respondent did not question the effective date proposed by the Union during the negotiation sessions, and had agreed on such dates by the close of the fourth meeting.

The subject of vacations was also discussed at this meeting, and the parties agreed upon a clause that professionals would receive 3 weeks' vacation for the first year and 4 weeks for the second year of employment. They also agreed that professional positions would include dental hygienists, lab technicians, and x-ray technologists. Respondent indicated that the nurse practitioner had resigned and that it did not intend to fill that position. The Union did not dispute or oppose Respondent's position in that regard.

Once again Williams reminded Erazo that the Union would be flexible on the effective date of the contract and the initial wage increase. Erazo replied that he felt that there was a package that he could sell to the board of trustees, and that he would present it to them.

On April 12, Erazo spoke to Williams on the telephone and told him that the board had not yet considered the contract package, but that he was hopeful of scheduling a special meeting to discuss the issue. During this phone conversation Erazo raised the issue of sick leave, again emphasizing the cost problems of Respondent. He suggested that the parties continue Respondent's present policy of 10 sick days, rather than the 12 contained in the Union's proposals. Williams agreed to this change.

Erazo then stated that again to reduce costs, it would be helpful to extend the effective date of the agreement.³ Williams then suggested changing the August 1, 1982 date to December 31. Erazo replied that would be fine, adding that he would submit the package to the board and that he was certain that the board would approve. Williams told Erazo that he would send him a letter confirming their telephone conversation.

On April 14, Williams sent a letter to Erazo. The letter confirms the Union's agreement to alter the effective date of the increase,⁴ and to reduce their demand on sick time to 10 days. The letter concluded by stating that this was the final move the Union will make, and that it believes that this move should be satisfactory in obtaining a settlement.

During another telephone conversation sometime in April or May, the parties agreed that the dental hygienist should be placed on a par with all other professionals, with regard to minimum salaries.

On May 18, Erazo and Williams again spoke on the phone. They again talked about the two items which had been agreed to on April 12, the change in effective date to December 31, and the reduction in sick time to 10 days. Erazo reiterated that he was going to submit the package to the board, and that he saw no problem with obtaining board approval of the agreement.

On May 20, Erazo telephoned Williams and informed him that the board had met and approved the agreement presented to it. Williams replied that he would prepare a written agreement for signature and send same to him. Erazo responded, "Fine, I'll be waiting for it." Erazo did not indicate that anything else needed to be done to get the agreement approved.

Williams then prepared a 3-page document, entitled "Massive East Bronx Terms of Agreement." The document reflects that all the terms of the master agreement are agreed to, with the exception of a number of deletions and additions. The document provides for a contract duration of December 31, 1982, to June 30, 1984, with wage increases of 8 percent payable on 12/31/82 and 7/1/83. Additionally, the document reflects the other items which were agreed to orally by the parties, such as vacations, minimums, sick time, grievance procedure, education expenses, holidays, and maternity and paternity leave. Accompanying this document, Williams sent Erazo a cover letter dated May 24, stating that the terms of the agreement were enclosed, and requesting that authorized signatures be affixed and returned.

After not receiving a copy of the executed contract, Williams called Erazo on a date between 5/24/83 and 6/9. Williams asked what was holding up the agreement being signed. Erazo replied that Mr. Colon had not signed it as of yet. Erazo did not deny at that or any other time that the proposal agreement sent by Williams to Erazo correctly reflected the agreement reached between Respondent and the Union. Williams then advised Erazo that he was sending a letter threatening to file an unfair labor practice charge with the Board if the agreement was not signed.

On June 9, Williams sent such a letter to Erazo, with a copy to Colon, stating that the Union has negotiated a contract with Respondent, and had not received a copy of the signed memorandum sent to Respondent on May 24. The letter further adds that the Union considers the failure to sign to be a refusal to bargain, and unless the document is signed by June 17, the Union will file an unfair labor practice charge against Respondent.

Shortly thereafter Williams spoke to Jeff Lattman, who had recently been appointed administrator of Respondent. Williams asked Lattman if he knew anything about why the contract was not signed. Lattman replied that he did not know about it, but would look into it and get back to Williams. Lattman never got back to Williams, and Williams had no further discussions about the matter with any of Respondent's officials. The contract was not executed, nor was the Union ever informed as to why it had not been signed by any of Respondent's officials.

The Union filed the instant charge on July 9.

The above recitation of the facts is derived from the credible testimony of Williams, which was supported by various documents, and which was not contradicted, refuted, or challenged by any witness or evidence presented by Respondent. Indeed, neither Erazo, Colon, nor any other witness who might have been in a position to dis-

³ I note that Williams at the prior sessions had indicated that the Union might be flexible on this issue.

⁴ Although the letter reads December 1, 1982, as the agreed-on date, Williams credibly testified that this was a typographical error, and the agreement was December 31.

pute any of Williams' testimony was called to testify by Respondent.⁵

The only witness called to testify by Respondent was Antonio Nin, Respondent's present project director or administrator. However, Nin was not employed by Respondent until November 7, 1983, and he furnished no testimony or evidence which in any way challenges Williams' assertions that in fact the board of trustees had agreed to the terms of a collective-bargaining agreement reached as a result of negotiations between the Union and Erazo acting on behalf of Respondent.

Nor did Nin furnish any direct testimony as to why Respondent declined to execute the collective-bargaining agreement which it was sent by the Union.

Nin did testify, however, that Respondent is funded by the Department of Health and Human Services, an agency of the Federal Government (HHS). He further testified that about July 5, 1983, HHS issued a notice of a grant award to Respondent, which attached a number of special conditions to Respondent's ability to continue being funded by the agency. Some of these conditions were an expansion of the board of trustees, recruitment of a full-time project director, update of board bylaws, a board training session, and the development of procedures for grievances, hiring, firing, and performance appraisals. Additionally, a revised operational budget was ordered to be submitted for review by HHS. Nin was told by HHS officials, which is confirmed by the grant award that HHS considered Respondent to be a "high risk" grantee. This meant, according to Nin, that the Center would be under more direct supervision by HHS than other similar programs.

Pursuant to these special conditions mandated by HHS, a new board of trustees was elected which was approved by the agency. The Board was expanded from 12 to 25 members. An update of the bylaws as well as proposals for grievance procedures, hirings, and job descriptions were prepared by the board and submitted to HHS for approval.

Nin further testified that HHS must approve Respondent's purported compliance with the special conditions imposed by the agency, in order for it to be funded for the next fiscal year. Respondent was at the time of the hearing herein being funded at current levels on a temporary basis. Finally, Nin testified that he was involved in negotiating with HHS pertaining to next year's grant, and if HHS does not issue a grant, Respondent will not be funded and would not be able to operate.

III. ANALYSIS

It is well settled that an employer's failure to execute a contract embodying terms previously agreed on with a union constitutes an unlawful refusal to bargain. H. J. Heinz Co. v. NLRB, 311 U.S. 514 (1941); Diplomat Envelope Corp., 263 NLRB 525, 535 (1982); Golin Block & Supply Co., 243 NLRB 350, 353 (1979).

The record herein conclusively establishes, by virtue of Williams' unrefuted testimony, that Respondent and the Union reached agreement on terms of a collective-bargaining agreement. Thus, on May 18, after four negotiation sessions, and a number of telephone calls between Williams and Erazo, Respondent's authorized negotiator, full agreement was reach between the parties on all items, subject only to approval of Respondent's board of trustees, which Erazo felt would no problem.

On May 20, Erazo reported to Williams that the board had met and approved the contract as negotiated by him and the Union. This statement by Erazo, an agent of Respondent, constitutes an admission against Respondent, and establishes, particularly where no contract testimony was presented, that in fact the board of trustees of Respondent did approve the agreement negotiated on its behalf by Erazo.

It is also clear and undisputed that the written documents submitted by the Union to Erazo and Respondent embodied the terms agreed on by the parties. I note in this connection that at no time did Erazo or Respondent ever contend that the documents submitted to it incorrectly reflected the terms which had been agreed to.

Indeed Respondent has not presented any testimony or evidence as to why it failed to execute the contract which it had agreed on. The only witness called by Respondent, Antonio Nin, its present administrator, furnished ro direct testimony on this subject, and was unaware as to the status of negotiations.

Although his testimony suggests two possible defenses to Respondent's failure to sign, these purported and unarticulated defenses have not been established by the record, and are in any event insufficient as a matter of law to justify Respondent's refusal to execute the agreement.

Nin testified that at some point subsequent to July, a new Board of Trustees was elected, and that the new board comprised a majority of new members. Nin did not even testify that the new Board had met and rejected the collective-bargaining agreement, which had been negotiated on Respondent's behalf, and approved by the prior board of trustees. Even if one could infer from Respondent's failure to sign the agreement, that the new board had in fact rejected the contract, this would not be a valid defense to its obligation to execute said agreement.

When agreement was reached, there is no question that the board of trustees in existence at that time was authorized to and did in fact approve the terms of the agreement negotiated on Respondent's behalf by its negotiator. Respondent therefore remained under a duty to sign such contract, notwithstanding the fact that a successor board may have found the agreement not acceptable. Fisk University, 237 NLRB 1164, 1171 (1978).

Nin also testified concerning the fact that HHS had imposed certain conditions on Respondent's operations, which, if not complied with, could result in Respondent

⁵ As noted above, Erazo was available to do so, since he tried the instant case on behalf of Respondent.

⁶ The reason for the "high risk" designation as set forth in the Grant, was due to Respondent's "recent history of administrative and board dissension . . . and threats of violence."

⁷ A new chairman of the board was also selected.

⁸ See Jackson Sportswear Co., 211 NLRB 891, 903 (1974).

Bohemia Inc., 266 NLRB 761, 764 (1983); Injected Rubber Products,
 NLRB 687, 693 (1981); Rubber Workers Local 878 (Goodyear Tire),
 NLRB 251 (1981).

not being funded for the next fiscal year. Clearly such speculative testimony does not establish what it appears Respondent is suggesting by introducing such evidence, i.e., that Respondent is or will be financially unable to comply with the terms of the collective-bargaining agreement which it bound itself to follow. In any event, the Board has consistently rejected attempts of employers to raise financial hardship as a defense to repudiating or modifying the terms of a collective-bargaining agreement. 10 This holding is unaffected by the fact that Respondent's potential economic difficulties may be due to its inability to be funded by a Government Agency, such as HHS. The fact that possible funding problems from HHS may make it difficult for Respondent to fulfill its obligations under the contract which it agreed to, warrants no different treatment than that accorded employers in other industries whose ability to comply with contractual terms is hampered by an unexpected decline in revenues. Sun Harbor Manor, 228 NLRB 945, 947 (1977); Nassau County Health Facilities Assn., 227 NLRB 1680, 1685 (1977).

Accordingly, Respondent has violated Section 8(a)(1) and (5) of the Act by failing and refusing to execute the collective-bargaining agreement with the Union, the terms of which it had previously agreed on, and I so find.

CONCLUSIONS OF LAW

- 1. Respondent is an employer engaged in commerce within the meaning of Section 2(6) and (7) of the Act.
- 2. The Union is a labor organization within the meaning of Section 2(5) of the Act.
- 3. At all times material herein, the Union has been and still is the exclusive collective-bargaining representative of Respondent's employees in the bargaining unit described below within the meaning of Section 9(a) of the Act. The appropriate unit is:
 - All full-time and regular part-time employees, including medical assistants, bookkeepers, dental hygenists, medical record assistants, laboratory technicians, receptionist; appointment clerk, maintenance employees, x-ray technicians, secretaries, and nurse practitioner excluding all other employees, watchmen, guards and supervisors as defined in the Act.
- 4. By refusing to sign and comply with the collective-bargaining agreement agreed on between it and the Union, Respondent has engaged in and is engaging in unfair labor practices within the meaning of Section 8(a)(5) and (1) of the Act.
- 5. The above-described unfair labor practices affect commerce within the meaning of Section 2(6) and (7) of the Act.

THE REMEDY

Having found that Respondent has violated Section 8(a)(1) and (5) of the Act, I shall recommend that it

¹⁰ Oak Cliff Gorman Baking Co., 207 NLRB 1063 (1973); Arco Electric Co., 237 NLRB 708, 709 (1978); Phoenix Air Conditioning Co., 231 NLRB 341, 342 (1977). cease and desist therefrom and take certain action designed to effectuate the policies of the Act.

I shall also recommend that Respondent be ordered, on request, to execute the collective-bargaining agreement agreed on with the Union, and to comply retroactively to its effective date with its terms. Additionally, Respondent shall make whole the employees in the bargaining unit for losses, if any, which they may have suffered by Respondent's refusal to sign the agreement, in the manner set forth in Ogle Protection Service, 183 NLRB 682 (1970), plus interest as prescribed in Florida Steel Corp., 231 NLRB 651 (1977). See generally Isis Plumbing Co., 138 NLRB 716 (1962).

On these findings of fact and conclusions of law and on the entire record, I issue the following recommended 11

ORDER

The Respondent, Massive East Bronx Comprehensive Health Center, Inc. of Bronx, New York, its officers, agents, successors, and assigns, shall

- 1. Cease and desist from
- (a) Failing and refusing to execute the collective-bargaining agreement agreed on by the Respondent and the Union.
- (b) In any like or related manner interfering with, restraining, or coercing employees in the exercise of the rights guaranteed them by Section 7 of the Act.
- 2. Take the following affirmative action necessary to effectuate the purposes and policies of the Act.
- (a) On request by the Union, forthwith execute the contract, on which agreement was reached with the Union.
- (b) Give retroactive effect to the terms and conditions of employment of said contract, and make whole its employees for any losses they may have suffered by reason of Respondent's failure to execute the agreements in the manner set forth in the section of this decision entitled "The Remedy."
- (c) Post at its place of business in the Bronx, New York, copies of the attached notice marked "Appendix." Copies of the notice, on forms provided by the Regional Director for Region 2, after being signed by the Respondent's authorized representative, shall be posted by the Respondent immediately upon receipt and maintained for 60 consecutive days in conspicuous places including all places where notices to employees are customarily posted. Reasonable steps shall be taken by the Respondent to ensure that the notices are not altered, defaced, or covered by any other material.

¹¹ If no exceptions are filed as provided by Sec. 102.46 of the Board's Rules and Regulations, the findings, conclusions, and recommended Order shall, as provided in Sec. 102.48 of the Rules, be adopted by the Board and all objections to them shall be deemed waived for all purposes.

poses.

12 If this Order is enforced by a Judgment of a United States Court of Appeals, the words in the notice reading "Posted by Order of the National Labor Relations Board" shall read "Posted Pursuant to a Judgment of the United States Court of Appeals Enforcing an Order of the National Labor Relations Board."

(d) Notify the Regional Director in writing within 20 days from the date of this Order what steps the Respondent has taken to comply.

APPENDIX

NOTICE TO EMPLOYEES
POSTED BY ORDER OF THE
NATIONAL LABOR RELATIONS BOARD
An Agency of the United States Government

The National Labor Relations Board has found that we violated the National Labor Relations Act and has ordered us to post and abide by this notice.

WE WILL NOT fail or refuse to execute the collective-bargaining agreement agreed upon between us and the Union.

WE WILL NOT in any like or related manner interfere with, restrain, or coerce you in the exercise of the rights guaranteed you by Section 7 of the Act.

WE WILL, on request by the Union, forthwith execute the contract, on which agreement was reached between us and the Union.

WE WILL give retroactive effective to the terms and conditions of employment of the contract, and make whole our employees for any losses they may have suffered by reason of our failure to execute the agreement, with interest.

Massive East Bronx Comprehensive Center, Inc.